

## **KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD**

### **DENTAL AND VISION SUBCOMMITTEE**

#### **Meeting Minutes**

**December 20, 2012**

#### **Call to Order and Roll Call**

The second meeting of the Dental and Vision Subcommittee was held on Thursday, December 20, 2012, at 10:00 a.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange. Dr. Joe Ellis, Chair, called the meeting to order at 10:00 a.m., and the Secretary called the roll.

Subcommittee Members Present: Dr. Joe Ellis, Chair, Andrea Bennett, Andrew Cassis, Dr. Jim Cecil, Dr. Steve Compton, Dr. John Thompson, Darlene Eakin, Dr. Karoline Munson, Mike Porter, Dr. William (Ken) Rich, and John Weeks. Tony Cook was not present.

Staff Present: Bill Nold, Brenda Parker, Reina Diaz-Dempsey, Melea Rivera, Miriam Fordham, Gary Smith, and D. J. Wasson (DOI).

#### **Approval of Minutes**

A motion was made by John Weeks to accept the minutes of the November 15, 2012, meeting as submitted, seconded by Dr. Jim Cecil, and approved by voice vote.

#### **Office of the Kentucky Health Benefit Exchange – Update**

Bill Nold, Deputy Executive Director, Office of the Kentucky Health Benefit Exchange (KHBE) provided an update on the KHBE activities. Kentucky, along with eight other states, received conditional approval of its State-based exchange (SBE) by the U.S. Department of Health and Human Services (HHS). Mr. Nold also informed the subcommittee that the Blueprint for the SBE will be posted to the KHBE's website for public review as soon as the release is approved by HHS.

In addition, Mr. Nold provided an update on the Proposed Rules released by HHS on November 20, 2012, relating to Essential Health Benefits (EHB), market reforms, and wellness. Some of the specific proposed rules mentioned included additional provisions relating to actuarial value (AV), limits on cost-sharing, accreditation timelines, minimum essential value for employer-sponsored coverage, rating areas, and age band determination.

D. J. Wasson, Department of Insurance (DOI), explained that states have flexibility in implementing specific provisions of the proposed rules which fall under the authority of the DOI to regulate. Ms. Wasson identified several of these areas, including designation of geographic

coverage areas (the proposed rules state no more than seven, Kentucky has eight), age bands, 1.5:1 rating ratio for tobacco use, and others.

Ms. Wasson also explained that Kentucky proposed to supplement the EHB benchmark plan with the current Kentucky Children's Health Insurance Program (KCHIP) pediatric dental and vision benefits. This was incorrectly reflected in the HHS proposed rules; therefore, DOI is taking the necessary steps to clarify its recommendation with HHS.

### **Discussion of Stand-alone Dental Plans**

Mr. Nold briefed the members on issues relating to stand-alone dental plans offered in the KHBE. Mr. Nold explained that the guidelines on pediatric dental benefits are complex. Firstly, stand-alone dental plans must be allowed to be offered in the Exchange, which means that qualified health plans (QHP) may or may not have embedded pediatric dental benefits. Therefore, a QHP without embedded pediatric dental benefits (which are part of the Essential Health Benefits) can still be certified as a QHP.

Secondly, Mr. Nold explained that plans offered outside of the Exchange must offer embedded pediatric dental and vision benefits. Outside of the Exchange, QHPs do not have the option of offering plans without the required pediatric dental and vision services and rely on stand-alone plans, as do plans offered in the Exchange.

Finally, an individual that shops for plans in the Exchange may be looking at cost as a determining factor in their selection; however, it is reasonable to assume that there may be a price differential between QHPs that have embedded pediatric dental and vision benefits and QHPs that do not.

In addition to the above mentioned issues, Mr. Nold explained that "unofficial" guidance from HHS indicates that pediatric dental and vision benefits must be "offered" in the Exchange, but a consumer is not "required" to purchase such benefits.

John Weeks stated that the presentation of options relating to dental plans will be very important to consumers. It must be very clear to consumers whether they are buying a QHP with or without embedded pediatric dental and vision benefits.

Mr. Nold explained that to the extent a plan exceeds the actuarial value of the EHBs, a state must defray the cost of those additional benefits to the extent a subsidy is provided. The subsidy calculation must be based on the second lowest silver plan available. If the second lowest silver plan does not include pediatric dental and vision benefits, the amount of the subsidy would be lower because the subsidy would have been based on the cost of a plan that does not include pediatric dental and vision benefits.

### **Additional Discussion**

In order to better understand the issues relating to dental and vision EHBs as identified, allow for a more in-depth discussion, and develop timely recommendations for the Advisory Board, Dr. Ellis proposed the establishment of the following subcommittees:

The Essential Vision Benefit Regulations subcommittee composed of Dr. Steve Compton, Chair, Dr. Karoline Munson, and Darlene Eakin.

The Essential Dental Benefits Regulations subcommittee composed of Dr. Jim Cecil, Chair, Dr. Ken Rich, Dr. John Thompson, and Mike Porter.

The Dental Essential Benefit Deployment workgroup composed of Dr. John Thompson, Chair, Dr. Ken Rich, Andrew Cassis, Andrea Bennett, Mike Porter, and John Weeks.

Dr. Ellis proposed that these teams should include staff from the Department for Medicaid Services and DOI, as well as members of the Qualified Health Plan subcommittee.

Mr. Nold discussed the timeline for decision-making (no later than April/May 2013) and all issues to be addressed by the action teams. Ms. Wasson emphasized that issuers will need guidance as soon as possible in order to determine benefits and rates of the plans that must be filed with the DOI.

#### **Other Business**

The next meeting of the Dental and Vision subcommittee will be held on January 24, 2013, at 10:00 a.m.

#### **Adjournment**

The meeting was adjourned at 11:25 a.m.